

## Message Text

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ORIGIN EA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIE-00 INRE-00 NSCE-00 SSO-00 AID-05 OMB-01 EB-07

IGA-01 IO-10 AGR-05 A-01 OPR-02 TRSE-00 (ISO) R

66615

DRAFTED BY EA/LC:LMRIVES:JY

APPROVED BY THE ACTING SECRETARY

EA:RHMILLER

AID/EA/LAOS:MHUNTINGTON

EA- MR. ZURHELLEN

AID/AA/EA:AZGARDINER

NSC: MR. STEARMAN

S/S:LCJOHNSTONE

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O 220015Z MAY 75 ZFF5

FM SECSTATE WASHDC

TO AMEMBASSY VIENTIANE IMMEDIATE

INFO AMEMBASSY BANGKOK IMMEDIATE

AMEMBASSY PARIS

AMCONSUL UDORN

AMEMBASSY CANBERRA

USDEL SECRETARY IMMEDIATE

C O N F I D E N T I A L STATE 119440 TOSEC 010186

C O R R E C T E D C O P Y (MISSING PORTION  
LINE 7 PARA 1)

E.O. 11652: GDS

TAGS: PFOR, EAID, LA, US

SUBJECT: AID AND USAID IN LAOS

CANBERRA FOR HABIB

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REFS: A. VIENTIANE 3507; B. VIENTIANE 3515

CINCPAC FOR POLAD

1. AS WE HAVE PREVIOUSLY INDICATED, WE INTEND TO RETAIN AN EMBASSY IN VIENTIANE ON THE ASSUMPTION THE LAO GOVERNMENT DESIRES TO MAINTAIN RELATIONS WITH THE USG. LIKE YOU, HOWEVER, WE BELIEVE THAT THE US ROLE AND PRESENCE WILL HAVE TO BE DRASTICALLY REDUCED TO REFLECT THE EVOLUTION TAKING PLACE IN LAOS. ORGANIZATIONALLY AS CONCERNS USAID, A SOLUTION COULD BE THE ABOLITION OF USAID WITH ITS FUNCTION ABSORBED BY THE ECONOMIC SECTION OF THE EMBASSY. THE ONE POINT OF COURSE ON WHICH WE CANNOT CONCEDE IS THAT OF LEGALLY REQUIRED AUDITS AND SUPERVISION OF CERTAIN TYPES OF PROGRAMS. WE BELIEVE THE RESIDUAL PROGRAM COULD BE DESIGNED SO AS TO BE SUPERVISED BY PERSONNEL BASED IN VIENTIANE AND NOT IN THE PROVINCES.

2. IN THIS CONNECTION, IN ACCORDANCE YOUR REQUEST IN

REF B, YOU ARE AUTHORIZED TO INFORM PGNU IN YOUR CONVERSATIONS THAT THE USG IS WILLING TO HEAR THEIR VIEWS ON THE BILATERAL AGREEMENTS. DURING YOUR DISCUSSION WITH PHOUMI, LOEUM AND OTHERS, YOU SHOULD LISTEN TO THEIR REQUESTS AND, AS YOU HAVE PROPOSED, MAKE CERTAIN THEY UNDERSTAND OUR PROBLEMS REGARDING CONTROL. YOU SHOULD NOT, HOWEVER, INDICATE OUR WILLINGNESS TO COMBINE USAID AND THE ECON SECTION. YOU SHOULD TRANSMIT RESULTS OF THESE CONVERSATIONS FOR OUR CONSIDERATION WITHOUT COMMITTING THE USG TO ANYTHING.

3. FYI. WE HAVE QUESTION OF DESIRABILITY OF CONTINUING AID UNDER SERIOUS REVIEW. IN THIS CONNECTION YOU SHOULD SEPARATELY AND PROMPTLY SUBMIT YOUR SPECIFIC RECOMMENDATIONS FOR REDUCING AN ECONOMIC AID PROGRAM TO A MINIMUM CONFIGURATION. WE HAVE ALREADY AGREED TO YOUR PROPOSAL THAT THE UNHCR TAKE OVER OUR REFUGEE PROGRAMS. WE ALSO BELIEVE WE SHOULD CONSIDER THE FOLLOWING STEPS AT THE APPROPRIATE TIME IN THE NEAR FUTURE:

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A. REDUCING OUR PARTICIPATION IN FEOF TO A PROPORTION CONSISTENT WITH OUR DECLINING INTEREST. THIS COULD BE DONE GRADUALLY, PERHAPS.

B. TURNING AGRICULTURAL PROGRAMS OVER TO INTERNATIONAL ORGANIZATIONS.

C. PHASING OUT ROAD AND RURAL ECONOMY PROJECTS IN A TIMELY MANNER.

D. SEEKING PGNU-USG CONSENSUS ON WHAT PUBLIC HEALTH PROGRAMS SHOULD BE CONTINUED.

4. IF ABOVE STEPS WERE CARRIED OUT, US ECONOMIC AID PROGRAM WOULD CENTER ON A REDUCED FEOF CONTRIBUTION, A MODEST TRAINING PROGRAM IN THE US, SECONDARY EDUCATION PROGRAMS BASED ALMOST ENTIRELY ON ADVICE TO THE MINISTRY OF EDUCATION, A REDUCED PUBLIC HEALTH PROGRAM AND PROVISION OF TECHNICAL ADVISORS FOR LAO MINISTRIES. SUCH A PROGRAM, ADMINISTERED OUT OF VIENTIANE, WOULD PRESUMABLY REDUCE US MISSION'S AIRCRAFT REQUIREMENTS.

5. REQUEST YOUR COMMENTS AND RECOMMENDATIONS. INGERSO)

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<< END OF DOCUMENT >>

## Message Attributes

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**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
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**Subject:** n/a  
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**To:** VIENTIANE INFO BANGKOK  
PARIS  
UDORN  
CANBERRA  
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